PUBLIC HEARING TO CONSIDER THE ADOPTION OF AMENDMENTS TO THE LOW-EMISSION VEHICLE REGULATIONS, INCLUDING PARTICULATE STANDARDS FOR GASOLINE VEHICLES, MORE STRINGENT EMISSION STANDARDS FOR FUEL-FIRED HEATERS, AND ADMINISTRATIVE REVISIONS

Staff's Suggested Modifications to the Original Proposal

PRESENTED AT THE NOVEMBER 15, 2001 HEARING OF THE AIR RESOURCES BOARD

The following text contains staff's suggested modifications to the originally proposed amendments to sections 1961 and 1962, title 13 of the California Code of Regulations (CCR), to the "California Exhaust Emission Standards and Test Procedures for 2001 and Subsequent Model Passenger Cars, Light-Duty Trucks and Medium-Duty Vehicles," and to the "California Exhaust Emission Standards and Test Procedures for 2003 and Subsequent Model Zero-Emission Vehicles, and 2001 and Subsequent Model Hybrid Electric Vehicles, in the Passenger Car, Light-Duty Truck and Medium-Duty Vehicle Classes." The text of the originally proposed amendments is shown in underline to indicate additions and ~~strikeout~~ to indicate deletions. Some of the editorial corrections correct printing errors in Barclays California Code of Regulations. In section 1962(c)(2)(A), changes approved by the Air Resources Board at a January 25, 2001 hearing, but not yet adopted or in effect, are shown in dotted underline to indicate additions and ~~***bold italic strikeout***~~ to indicate deletions. The modifications now proposed by staff are shown in double underline to indicate additions and ~~double strikeouts~~ to show deletions. Except for captions to the paragraphs and tables within the sections, all text shown in italic font is not part of the regulations. The italicized commentaries provide explanations of the reasons for the suggested modifications to the original proposal. All proposed modifications will be made available to the public for a supplemental fifteen-day comment period prior to final adoption.

There are no additional suggested modifications to the originally proposed amendments to sections 1960.1 and 1960.5, title 13, CCR or to the following documents:

"California Non-Methane Organic Gas Test Procedures"

"Guidelines for Certification of 1983 and Subsequent Model-Year Federally Certified Light-Duty Motor Vehicles for Sale in California"

"Guidelines for Certification of 2003 and Subsequent Model-Year Federally Certified Light-Duty Motor Vehicles for Sale in California."

1. Amend section 1961, title 13, California Code of Regulations as follows:

§ 1961. **Exhaust Emission Standards and Test Procedures - 2004 and Subsequent Model Passenger Cars, Light-Duty Trucks, and Medium-Duty Vehicles.**

Introduction. [No change]

(a) *Exhaust Emission Standards.*

(1) *"LEV II" Exhaust Standards.* The following standards represent the maximum exhaust emissions for the intermediate and full useful life from new 2004 and subsequent model-year "LEV II" LEVs, ULEVs, and SULEVs, including fuel-flexible, bi-fuel and dual fuel vehicles when operating on the gaseous or alcohol fuel they are designed to use:

LEV II Exhaust Mass Emission Standards for New 2004 and Subsequent Model LEVs, ULEVs, and SULEVs in the Passenger Car, Light-Duty Truck and Medium-Duty Vehicle Classes

Vehicle Type	*Durability Vehicle Basis (mi)*	*Vehicle Emission Category*	*NMOG (g/mi)*	*Carbon Monoxide (g/mi)*	*Oxides of Nitrogen (g/mi)*	*Formaldehyde (mg/mi)*	*Particulates ~~from diesel vehicles~~ (g/mi)*
All PCs; LDTs 8500 lbs. GVW or less Vehicles in this category are tested at their loaded vehicle weight	50,000	LEV	0.075	3.4	0.05	15	n/a
		LEV, Option 1	0.075	3.4	0.07	15	n/a
		ULEV	0.040	1.7	0.05	8	n/a
	120,000	LEV	0.090	4.2	0.07	18	0.01
		LEV, Option 1	0.090	4.2	0.10	18	0.01
		ULEV	0.055	2.1	0.07	11	0.01
		SULEV	0.010	1.0	0.02	4	0.01
	150,000 (Optional)	LEV	0.090	4.2	0.07	18	0.01
		LEV, Option 1	0.090	4.2	0.10	18	0.01
		ULEV	0.055	2.1	0.07	11	0.01
		SULEV	0.010	1.0	0.02	4	0.01
MDVs 8501 - 10,000 lbs. GVW Vehicles in this category are tested at their adjusted loaded vehicle weight	120,000	LEV	0.195	6.4	0.2	32	0.12
		ULEV	0.143	6.4	0.2	16	0.06
		SULEV	0.100	3.2	0.1	8	0.06
	150,000 (Optional)	LEV	0.195	6.4	0.2	32	0.12
		ULEV	0.143	6.4	0.2	16	0.06

		SULEV	0.100	3.2	0.1	8	0.06
MDVs 10,001-14,000 lbs. GVW Vehicles in this category are tested at their adjusted loaded vehicle weight	120,000	LEV	0.230	7.3	0.4	40	0.12
		ULEV	0.167	7.3	0.4	21	0.06
		SULEV	0.117	3.7	0.2	10	0.06
	150,000 (Optional)	LEV	0.230	7.3	0.4	40	0.12
		ULEV	0.167	7.3	0.4	21	0.06
		SULEV	0.117	3.7	0.2	10	0.06

(2) *Reactivity Adjustment in Determining Compliance with the NMOG Standard*

(A) [No change]

(B) The following reactivity adjustment factors apply ~~through the 2003 model year~~:

	Light-Duty Vehicles 0-6000 lbs. GVW			**Medium-Duty Vehicles** 6001 lbs. - 14,000 lbs. GVW	
	TLEV	LEV	ULEV	LEV	ULEV
Fuel	**Baseline Specific Reactivity** (grams ozone / gram NMOG)				
Conventional Gasoline	3.42	3.13	3.13	3.13	3.13
	Reactivity Adjustment Factors				
~~Phase 2~~ RFG (through the 2003 model year)	0.98	0.94	0.94	0.94	0.94
M85	0.41	0.41	0.41	0.41	0.41
Natural Gas	1.0	0.43	0.43	0.43	0.43
LPG	1.0	0.50	0.50	0.50	0.50
	Methane Reactivity Adjustment Factors				
Natural Gas	0.0043	0.0047	0.0047	0.0047	0.0047

(3) *NMOG Standards for Bi-Fuel, Fuel-Flexible and Dual-Fuel Vehicles Operating on Gasoline*. For fuel-flexible, bi-fuel, and dual-fuel PCs, LDTs and MDVs, compliance with the NMOG exhaust mass emission standards shall be based on exhaust emission tests both when the vehicle is operated on the gaseous or alcohol fuel it is designed to use, and when the vehicle is operated on gasoline. A manufacturer must demonstrate compliance with the applicable exhaust mass emission standards for NMOG, CO, NOx and formaldehyde set forth in the table in section 1961(a)(1) when certifying the vehicle for operation on the gaseous or alcohol fuel.

The following standards represent the maximum NMOG emissions when the vehicle is operating on gasoline. A manufacturer shall not apply a reactivity adjustment factor to the exhaust NMOG mass emission result when operating on gasoline. A manufacturer may measure NMHC in lieu of NMOG when fuel-flexible, bi-fuel and dual-fuel vehicles are operated on gasoline, in accordance with the test procedures incorporated by reference in section 1961(d). Testing at 50°F is not required for fuel-flexible, bi-fuel and dual-fuel vehicles when operating on gasoline. The applicable CO, NOx and formaldehyde standards are set forth in section 1961(a)(1).

LEV II NMOG Standards for Bi-Fuel, Fuel-Flexible and Dual-Fuel Vehicles Operating on Gasoline (g/mi)

Vehicle Type	*Vehicle Emission Category*	*Durability Vehicle Basis*	
		50,000 mi	*120,000 mi*
All PCs; LDTs, 0-8500 lbs. GVW	LEV	0.125	0.156
	ULEV	0.075	0.090
	SULEV	0.010	0.040
MDVs, 8501-10,000 lbs. GVW	LEV	n/a	0.230
	ULEV	n/a	0.167
	SULEV	n/a	0.117
MDVs, 10,001-14,000 lbs. GVW	LEV	n/a	0.280
	ULEV	n/a	0.195
	SULEV	n/a	0.143

(4) *50°F Exhaust Emission Standards.* All light- and medium-duty LEVs, ULEVs and SULEVs must demonstrate compliance with the following exhaust emission standards for NMOG and formaldehyde (HCHO) measured on the FTP (40 CFR, Part 86, Subpart B) conducted at a nominal test temperature of 50°F, as modified by Part II, Section C of the "California Exhaust Emission Standards and Test Procedures for 2001 and Subsequent Model Passenger Cars, Light-Duty Trucks and Medium-Duty Vehicles" incorporated by reference in section 1961(d). The NMOG mass emission result shall be multiplied by the applicable reactivity adjustment factor, if any, prior to comparing to the applicable adjusted 50,000 mile certification standards set forth below. A manufacturer may demonstrate compliance with the NMOG and HCHO certification standards contained in this subparagraph by measuring NMHC exhaust emissions or issuing a statement of compiance for HCHO in accordance with Section D.1, subparagraph (p) and Section G.3.1.2, respectively, of the "California Exhaust Emission Standards and Test Procedures for

2001 and Subsequent Model Passenger Cars, Light-Duty Trucks and Medium-Duty Vehicles" incorporated by reference in section 1961(d). Emissions of CO and NOx measured at 50°F shall not exceed the standards set forth in §1961(a)(1) applicable to vehicles of the same emission category and vehicle type subject to a cold soak and emission test at 68° to 86° F. Natural gas and diesel-fueled vehicles are exempt from the 50° F test requirements.

Vehicle Weight Class	*Vehicle Emission Category (g/mi)*					
	LEV		*ULEV*		*SULEV*	
	NMOG	*HCHO*	*NMOG*	*HCHO*	*NMOG*	*HCHO*
PCs; LDTs 0-8500 lbs. GVW	0.150	0.030	0.080	0.016	0.02	0.008
MDVs 8501-10,000 lbs. GVW	0.390	0.064	0.286	0.032	0.200	0.016
MDVs 10,001-14,000 lbs. GVW	0.460	0.080	0.334	0.042	0.234	0.020

(5) through (7) [No change]

(8) *Requirements for Vehicles Certified to the Optional 150,000 Mile Standards.*

(A) *Requirement to Generate Additional Fleet Average NMOG Credit.* [No change]

(B) *Requirement to Generate a Partial ZEV Allowance.* A vehicle that is certified to the 150,000 mile SULEV standards shall also generate a partial ZEV allocation according to the criteria set forth in section C.3 of the "California Exhaust Emission Standards and Test Procedures for 2003 and Subsequent Model Zero-Emission Vehicles, and 2001 and Subsequent Model Hybrid Electric Vehicles, in the Passenger Car, Light-Duty Truck and Medium-Duty Vehicle Classes," incorporated by reference in section 1962~~(e)~~."

(9) [No change]

(10) *Intermediate In-Use Compliance Standards*. For test groups certified prior to the 2007 model year, the following intermediate in-use compliance standards shall apply for the first two model years the test group is certified to the new standard. For SULEVs certified prior to the 2004 model year, the following intermediate in-use compliance SULEV standards shall apply through the 2006 model year.

Emission Category	*Durability Vehicle Basis*	*LEV II PCs and LDTs*		*LEV II MDVs 8500 - 10,000 lbs. GVW*
		NMOG	*NOx*	*NOx*
LEV/ULEV	50,000	n/a	0.07	n/a
	120,000	n/a	0.10	0.3
	150,000	n/a	0.10	0.3
LEV, Option 1	50,000	n/a	0.10	n/a
	120,000	n/a	0.14	n/a
	150,000	n/a	0.14	n/a
SULEV	120,000	0.020	0.03	0.15
	150,000	0.020	0.03	0.15

(11) [No change]

(12) *NMOG Credit for Direct Ozone Reduction Technology.* A manufacturer that certifies vehicles equipped with direct ozone reduction technologies shall be eligible to receive NMOG credits that can be applied to the NMOG exhaust emissions of the vehicle when determining compliance with the standard. In order to receive credit, the manufacturer must submit the following information for each vehicle model, including, but not limited to:

~~(a)~~(A) a demonstration of the airflow rate through the direct ozone reduction device and the ozone-reducing efficiency of the device over the range of speeds encountered in the SFTP test cycle;

~~(b)~~(B) an evaluation of the durability of the device for the full useful life of the vehicle; and

~~(c)~~(C) a description of the on-board diagnostic strategy for monitoring the performance of the device in-use.

Using the above information, the Executive Officer shall determine the value of the NMOG credit based on the calculated change in the one-hour peak ozone level using an approved airshed model.

(13) [No change]

(14) *When a Federally-Certified Vehicle Model is Required in California.*

(A) *General Requirement.* Whenever a manufacturer federally-certifies a 2004 or subsequent model-year passenger car, light-duty truck or medium-duty vehicle model to the standards for a particular emissions bin that are more stringent than the standards for an applicable California emission category, the equivalent California model may only be certified to (i) the

California standards for a vehicle emissions category that are at least as stringent as the standards for the corresponding federal emissions bin, or (ii) the exhaust emission standards to which the federal model is certified. However, where the federal exhaust emission standards for the particular emissions bin and the California standards for a vehicle emissions category are equally stringent, the California model may only be certified to either the California standards for that vehicle emissions category or more stringent California standards. The federal emission bins are those contained in Tables S04-1 and S04-2 of 40 CFR § 86.1811-04(c) as adopted February 10, 2000. The criteria for applying this requirement are set forth in Part I. Section H.1 of the "California Exhaust Emission Standards and Test Procedures for 2001 and Subsequent Model Passenger Cars, Light-Duty Trucks and Medium-Duty Vehicles," as incorporated by reference in section 1961(d).

(B) *Exception for clean fuel fleet vehicles.* [No change]

(C) *Opt-in for 2003 or prior model year vehicles.* [No change]

(b) *Emission Standards Phase-In Requirements for Manufacturers.*

(1) *Fleet Average NMOG Requirements for Passenger Cars and Light-Duty Trucks.*

(A) [No change]

(B) *Calculation of Fleet Average NMOG Value.*

1. *Basic Calculation.*

a. [No change]

b. [No change]

c. The applicable emission standards to be used in the above equations are as follows:

Model Year	Emission Category	*Emission Standard Value*	
		All PCs; LDTs 0-3750 lbs. LVW	*LDTs 3751-5750 lbs. LVW*
2001 and subsequent (§1960.5 "AB 965" vehicles only)	All ~~Tier 1~~	Federal Emission Standard to which Vehicle is Certified ~~0.25~~	Federal Emission Standard to which Vehicle is Certified ~~0.32~~
2001 – 2003 (§1960.1(f)(2))	Tier 1	0.25	0.32
2001 – 2006 model year vehicles certified to the "LEV I" standards in §1960.1(g)(1) (For TLEVs, 2001 – 2003 model years only)	TLEVs	0.125	0.160
	LEVs	0.075	0.100
	ULEVs	0.040	0.050
Model Year	*Emission Category*	*All PCs; LDTs 0-3750 lbs. LVW*	*LDTs 3751 lbs. LVW - 8500 lbs. GVW*
2004 and subsequent model year vehicles certified to the "LEV II" standards in §1961(a)(1)	LEVs	0.075	0.075
	ULEVs	0.040	0.040
	SULEVs	0.01	0.01
2004 and subsequent model year vehicles certified to the optional 150,000 mile "LEV II" standards for PCs and LDTs in 1961(a)(1)	LEVs	0.06	0.06
	ULEVs	0.03	0.03
	SULEVs	0.0085	0.0085

2. [No change]

3. [No change]

(C) *Requirements for Small Volume Manufacturers.* [No change]

(D) Phase-in Requirements for Independent Low Volume Manufacturers.

In 2001 through 2006 model years, an independent low volume manufacturer shall not exceed a fleet average NMOG value of 0.075 g/mi for PCs and LDTs from 0-3750 lbs. LVW or 0.100 g/mi for LDTs from 3751-5750 lbs. LVW calculated in accordance with section 1961(b)(1)(B). In 2007 and subsequent model years, an independent low volume manufacturer shall not exceed a fleet average NMOG value of 0.060 for PCs and LDTs from 0-3750 lbs. LVW or 0.065 g/mi for LDTs from 3751 lbs. LVW - 8500 lbs. GVW calculated in accordance with section 1961(b)(1)(B).

(*E* ~~D~~) ZEVs classified as LDTs (>3750 lbs. LVW) that have been counted toward the ZEV requirement for PCs and LDTs (0-3750 lbs. LVW) as specified in section 1962 shall be included as LDT1s in the calculation of a fleet average NMOG value.

(2) *LEV II Phase-In Requirement for PCs and LDTs.* Beginning in the 2004 model year, a manufacturer, except a small volume manufacturer and an independent low volume manufacturer, shall certify a percentage of its PC and LDT fleet to the LEV II standards in section 1961(a) according to the following phase in schedule:

Model Year	*PC/LDT1 (%)*	*LDT2 (%)*
2004	25	25
2005	50	50
2006	75	75
2007	100	100

In determining compliance with the phase-in schedule, the fleet shall consist of LEV I and LEV II PCs and LDT1s for the PC/LDT1 calculation, and LEV I and LEV II LDT2s for the LDT2 calculation. LEV I MDVs are not counted in the calculation until ~~t hey~~ they are certified as LEV II LDT2s.

A manufacturer may use an alternative phase-in schedule to comply with these phase-in requirements as long as equivalent NOx emission reductions are achieved by the 2007 model year from each of the two categories -- PC/LDT1 and LDT2. Model year emission reductions shall be calculated by multiplying the percent of either PC/LDT1 or LDT2 vehicles meeting the LEV II standards in a given model year (based on a manufacturer's projected sales volume of vehicles in each category) by 4 for the 2004 model year, 3 for the 2005 model year, 2 for the 2006 model year and 1 for the 2007 model year. The yearly results for PCs/LDT1s shall be summed together to determine a separate cumulative total for PCs/LDT1s and the yearly results for LDT2s shall be summed together to determine a cumulative total for LDT2s. The cumulative total for each category must be equal to or exceed 500 to be considered equivalent. A manufacturer may add vehicles introduced before the 2004 model year (e.g., the percent of vehicles introduced in 2003 would be multiplied by 5) to the cumulative total.

(3) *Medium-Duty Vehicle Phase-In Requirements.* [No change]

(c) *Calculation of NMOG Credits/Debits* [No change]

(d) *Test Procedures.* The certification requirements and test procedures for determining compliance with the emission standards in this section are set forth in the "California Exhaust Emission Standards and Test Procedures for 2001 and Subsequent Model Passenger

Cars, Light-Duty Trucks, and Medium-Duty Vehicles," as amended ~~December 27, 2000~~ [INSERT DATE OF AMENDMENT], and the "California Non-Methane Organic Gas Test Procedures," as amended [INSERT DATE OF AMENDMENT], which are ~~is~~ incorporated herein by reference. In the case of hybrid electric vehicles, the certification requirements and test procedures for determining compliance with the emission standards in this section are set forth in the "California Exhaust Emission Standards and Test Procedures for 2003 and Subsequent Model Zero-Emission Vehicles, and 2001 and Subsequent Model Hybrid Electric Vehicles, in the Passenger Car, Light-Duty Truck and Medium-Duty Vehicle Classes," incorporated by reference in section 1962~~(e)~~.

(e) *Abbreviations.* The following abbreviations are used in this section 1961:

"ALVW" means adjusted loaded vehicle weight.
"ASTM" means American Society of Testing and Materials.
"CO" means carbon monoxide.
"FTP" means Federal Test Procedure.
"g/mi" means grams per mile.
"GVW" means gross vehicle weight.
"GVWR" means gross vehicle weight rating.
"HEV" means hybrid-electric vehicle.
"LDT" means light-duty truck.
"LDT1" means a light-duty truck with a loaded vehicle weight of 0-3750 pounds.
"LDT2" means a "LEV II" light-duty truck with a loaded vehicle weight of 3751 pounds to a gross vehicle weight of 8500 pounds or a "LEV I" light-duty truck with a loaded vehicle weight of 3751-5750 pounds.
"LEV" means low-emission vehicle.
"LPG" means liquefied petroleum gas.
"LVW" means loaded vehicle weight.
"MDV" means medium-duty vehicle.
"mg/mi" means milligrams per mile.
"NMHC" means non-methane hydrocarbons.
"Non-Methane Organic Gases" or "NMOG" means the total mass of oxygenated and non-oxygenated hydrocarbon emissions.
"NOx" means oxides of nitrogen.
"PC" means passenger car.
"SULEV" means super-ultra-low-emission vehicle.
"TLEV" means transitional low-emission vehicle.
"ULEV" means ultra-low-emission vehicle.
"VEC" means vehicle-equivalent credits.
"VED" means vehicle-equivalent debits.
"VMT" means vehicle miles traveled.
"ZEV" means zero-emission vehicle.

Note: Authority cited: Sections 39600, 39601, 43013, 43018, 43101, 43104 and 43105, Health and Safety Code. Reference: Sections 39002, 39003, 39667, 43000, 43009.5, 43013, 43018, 43100, 43101, 43101.5, 43102, 43104, 43105, 43106, 43107, 43204, and 43205.5, Health and Safety Code.

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2. Amend section 1962, title 13, California Code of Regulations as follows:

§ 1962. **Zero-Emission Vehicle Standards for 2003 and Subsequent Model Passenger Cars, Light-Duty Trucks, and Medium-Duty Vehicles.**

(a) *ZEV Emission Standard***.** The Executive Officer shall certify new 2003 and subsequent model passenger cars, light-duty trucks and medium-duty vehicles as ZEVs if the vehicles produce zero exhaust emissions of any criteria pollutant (or precursor pollutant) under any and all possible operational modes and conditions. Incorporation of a fuel-fired heater shall not preclude a vehicle from being certified as a ZEV provided: (1) the fuel-fired heater cannot be operated at ambient temperatures above 40°F, (2) the heater is demonstrated to have zero fuel evaporative emissions under any and all possible operational modes and conditions, and (3) the emissions of any pollutant from the fuel-fired heater when operated at an ambient temperature of ~~40°F~~ ~~between 68°F and 86°F~~ do not exceed the emission standard for that pollutant for a ~~S~~SULEV under section 1961(a)(1).

A vehicle that would meet the emission standards for a ZEV except that it uses a fuel-fired heater that can be operated at ambient temperatures above 40°F, that cannot be demonstrated to have zero fuel evaporative emissions under any and all possible operational modes and conditions, or that has emissions of any pollutant exceeding the emission standard for that pollutant for a SULEV under section 1961(a)(1), ~~when tested at an ambient temperature of 40°F,~~ shall be certified based on the emission level of the fuel-fired heater ~~when tested at temperatures between 68°F to 86°F~~.

(b) [No change]

(c) *Partial **~~and Full~~** ZEV Allowance Vehicles (PZEVs).*

(1) [No change]

(2) *Baseline **~~Partial~~** PZEV Allowance.* In order for a vehicle to be eligible to receive a ***~~partial or full~~*** PZEV allowance, the manufacturer must demonstrate compliance with all of the following requirements. A qualifying vehicle will receive a baseline ***~~partial~~*** PZEV allowance of 0.2.

(A) Certify the vehicle to the 150,000-mile SULEV exhaust emission standards for PCs and LDTs in section 1961(a)(1) (for model years 2003 through 2006, existing

SULEV intermediate compliance standards shall apply to all PZEVs). Bi-fuel, fuel-flexible and dual-fuel vehicles must certify to the applicable 150,000-mile SULEV exhaust emission standards when operating on both fuels;

[No change to sections (c)(2)(B) through the rest of section 1962.]

Note: Authority cited: Sections 39600, 39601, 43013, 43018, 43101, 43104 and 43105, Health and Safety Code. Reference: Sections 39002, 39003, 39667, 43000, 43009.5, 43013, 43018, 43100, 43101, 43101.5, 43102, 43104, 43105, 43106, 43107, 43204, and 43205.5, Health and Safety Code.

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3. Amend the "California Exhaust Emission Standards and Test Procedures for 2001 and Subsequent Model Passenger Cars, Light-Duty Trucks and Medium-Duty Vehicles" as follows:

PART I: GENERAL PROVISIONS FOR CERTIFICATION AND IN-USE VERIFICATION OF EMISSIONS

*** * * ***

B. Definitions, Acronyms and Abbreviations

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2. California Definitions

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"Independent Low Volume Manufacturer" means any manufacturer that meets the "independent low volume manufacturer" definition as set forth in section 1900, title 13, CCR.

~~"**Intermediate volume manufacturer**" means any pre-2001 model year manufacturer with California sales between 3,001 and 35,000 new light- and medium-duty vehicles per model year based on the average number of vehicles sold by the manufacturer each model year from 1989 to 1993; any 2001 through 2002 model year manufacturer with California sales between 4,501 and 35,000 new light- and medium-duty vehicles per model year based on the average number of vehicles sold by the manufacturer each model year from 1989 to 1993; and any 2003 and subsequent model year manufacturer with California sales between 4,501 and 35,000 new light- and medium-duty vehicles based on the average number of vehicles sold for the three previous consecutive model years for which a manufacturer seeks certification. For a manufacturer certifying for the first time in California, model year sales shall be based on projected California sales.~~

"Large volume manufacturer" means a manufacturer that is not a small volume manufacturer or an independent low volume manufacturer ~~or an intermediate volume manufacturer~~.

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E. California Exhaust Emission Standards

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2. Emission Standards Phase-In Requirements for Manufacturers

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2.1.3 **Phase-in Requirements for Small Volume Manufacturers.**

(a) In 2001 through 2006 model years, a small volume manufacturer shall not exceed a fleet average NMOG value of 0.075 g/mi for PCs and LDTs from 0-3750 lbs. LVW or 0.100 g/mi for LDTs from 3751-5750 lbs. LVW calculated in accordance with subsection E.2.1.2. In 2007 and subsequent model years, a small volume manufacturer shall not exceed a fleet average NMOG value of 0.075 for PCs and LDTs from 0-3750 lbs. LVW or 0.075 for LDTs from 3751 lbs. LVW - 8,500 lbs. GVW calculated in accordance with subsection E.2.1.2.

(b) If a manufacturer's average California sales exceeds 4500 units of new PCs, LDTs, MDVs and heavy duty engines based on the average number of vehicles sold for the three previous consecutive model years, the manufacturer shall no longer be treated as a small volume manufacturer and shall comply with the fleet average requirements applicable to larger manufacturers as specified in section E.2.1.~~2~~ beginning with the fourth model year after the last of the three consecutive model years.

(c) If a manufacturer's average California sales falls below 4500 units of new PCs, LDTs, MDVs and heavy duty engines based on the average number of vehicles sold for the three previous consecutive model years, the manufacturer shall be treated as a small volume manufacturer and shall be subject to the requirements for small volume manufacturers beginning with the next model year.

2.1.4 **Phase-in Requirements for Independent Low Volume Manufacturers**

In 2001 through 2006 model years, an independent low volume manufacturer shall not exceed a fleet average NMOG value of 0.075 g/mi for PCs and LDTs from 0-3750 lbs. LVW or 0.100 g/mi for LDTs from 3751-5750 lbs. LVW calculated in accordance with section E.2.1.2. In 2007 and subsequent model years, an independent low volume manufacturer shall not exceed a fleet average NMOG value of 0.060 for PCs and LDTs from 0-3750 lbs. LVW or 0.065 g/mi for LDTs from 3751 lbs. LVW - 8500 lbs. GVW calculated in accordance with section E.2.1.2.

2.1.5 **4** ZEVs classified as LDTs (>3750 lbs. LVW) that have been counted toward the ZEV requirement for PCs and LDTs (0-3750 lbs. LVW) as specified in Section C of the "California Exhaust Emission Standards and Test Procedures for 2003 and Subsequent Model Zero-Emission Vehicles, and 2001 and Subsequent Model Hybrid Electric Vehicles, in the Passenger Car, Light-Duty Truck and Medium-Duty Vehicle Classes," as incorporated by reference in section 1962(e), title 13, CCR, shall be included in this equation.

*** * * ***

2.2 LEV II Phase-In Requirement.

Beginning in the 2004 model year, a manufacturer, except a small volume manufacturer and an independent low volume manufacturer, shall certify a percentage of its PC and LDT fleet to the LEV II standards in section E.1.1.2 according to the following phase-in schedule:

Model Year	PC/LDT1 (%)	LDT2 (%)
2004	25	25
2005	50	50
2006	75	75
2007	100	100

In determining compliance with the phase-in schedule, the fleet shall consist of LEV I and LEV II PCs and LDT1s for the PC/LDT1 calculation, and LEV I and LEV II LDT2s for the LDT2 calculation. LEV I MDVs are not counted in the calculation until they are certified as LEV II LDT2s.

A manufacturer may use an alternative phase-in schedule to comply with these phase-in requirements as long as equivalent NOx emission reductions are achieved by the 2007 model year from each of the two categories – PC/LDT1 or LDT2. Model year emission reductions shall be calculated by multiplying the percent of either PC/LDT1 or LDT2 vehicles meeting the LEV II standards in a given model year (based on a manufacturer's projected sales volume of vehicles in each category) by 4 for the 2004 model year, 3 for the 2005 model year, 2 for the 2006 model year and 1 for the 2007 model year. The yearly results for PCs/LDT1s shall be summed together to determine a separate cumulative total for PCs/LDT1s and the yearly results for LDT2s shall be summed together to determine a cumulative total for LDT2s. The cumulative total for each category must be equal to or exceed 500 to be considered equivalent. A manufacturer may add vehicles introduced before the 2004 model year (e.g., the percent of vehicles introduced in 2003 would be multiplied by 5) to the cumulative total.

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4. Amend the "California Exhaust Emission Standards and Test Procedures for 2003 and Subsequent Model Zero-Emission Vehicles, and 2001 and Subsequent Model Hybrid Electric Vehicles, in the Passenger Car, Light-Duty Truck and Medium-Duty Vehicle Classes" as follows:

* * * *

C. Zero-Emission Vehicle Standards.

1. **ZEV Emission Standard.** The Executive Officer shall certify new 2003 and subsequent model passenger cars, light-duty trucks and medium-duty vehicles as ZEVs if the vehicles produce zero exhaust emissions of any criteria pollutant (or precursor pollutant) under any and all possible operational modes and conditions. Incorporation of a fuel-fired heater shall not preclude a vehicle from being certified as a ZEV provided: (1) the fuel-fired heater cannot be operated at ambient temperatures above 40°F, (2) the heater is demonstrated to have zero fuel evaporative emissions under any and all possible operational modes and conditions, and (3) the emissions of any pollutant from the fuel-fired heater when operated at an ambient temperature ~~between 68°F and 86°F~~ ~~of 40°F~~ do not exceed the emission standard for that pollutant for a ~~S~~ULEV under section 1961(a)(1), title 13, CCR.

A vehicle that would meet the emissions standards for a ZEV except that it uses a fuel-fired heater that can be operated at ambient temperatures above 40°F, that cannot be demonstrated to have zero fuel evaporative emissions under any and all possible operation modes and conditions, or that has emissions of any pollutant exceeding the emission standard for that pollutant for a ULEV under section 1961(a)(1), title 13, CCR, ~~when tested at an ambient temperature of 40°F~~ shall be certified based on the emission level of the fuel-fired ~~heater when tested at temperatures between 68°F and 86°F~~.

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3. Partial ~~and Full~~ ZEV Allowance Vehicles (PZEVs)

3.1 [No change.]

3.2 **Baseline ~~Partial~~ PZEV Allowance**. In order for a vehicle to be eligible to receive a ***~~partial or full~~*** PZEV allowance, the manufacturer must demonstrate compliance with all of the following requirements. A qualifying vehicle will receive a baseline ***~~partial~~*** PZEV allowance of 0.2.

(a) Certify the vehicle to the 150,000-mile SULEV exhaust emission standards for PCs and LDTs in section 1961(a)(1) (for model years 2003 through 2006, existing SULEV intermediate compliance standards shall apply to all PZEVs). Bi-fuel, fuel-flexible and dual-fuel vehicles must certify to the applicable 150,000-mile SULEV exhaust emission standards when operating on both fuels;

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